Defense Procurement Payment System

Overview
for

INFORMATION RESOURCES MANAGEMENT USERS' COUNCIL
APRIL 12, 2000
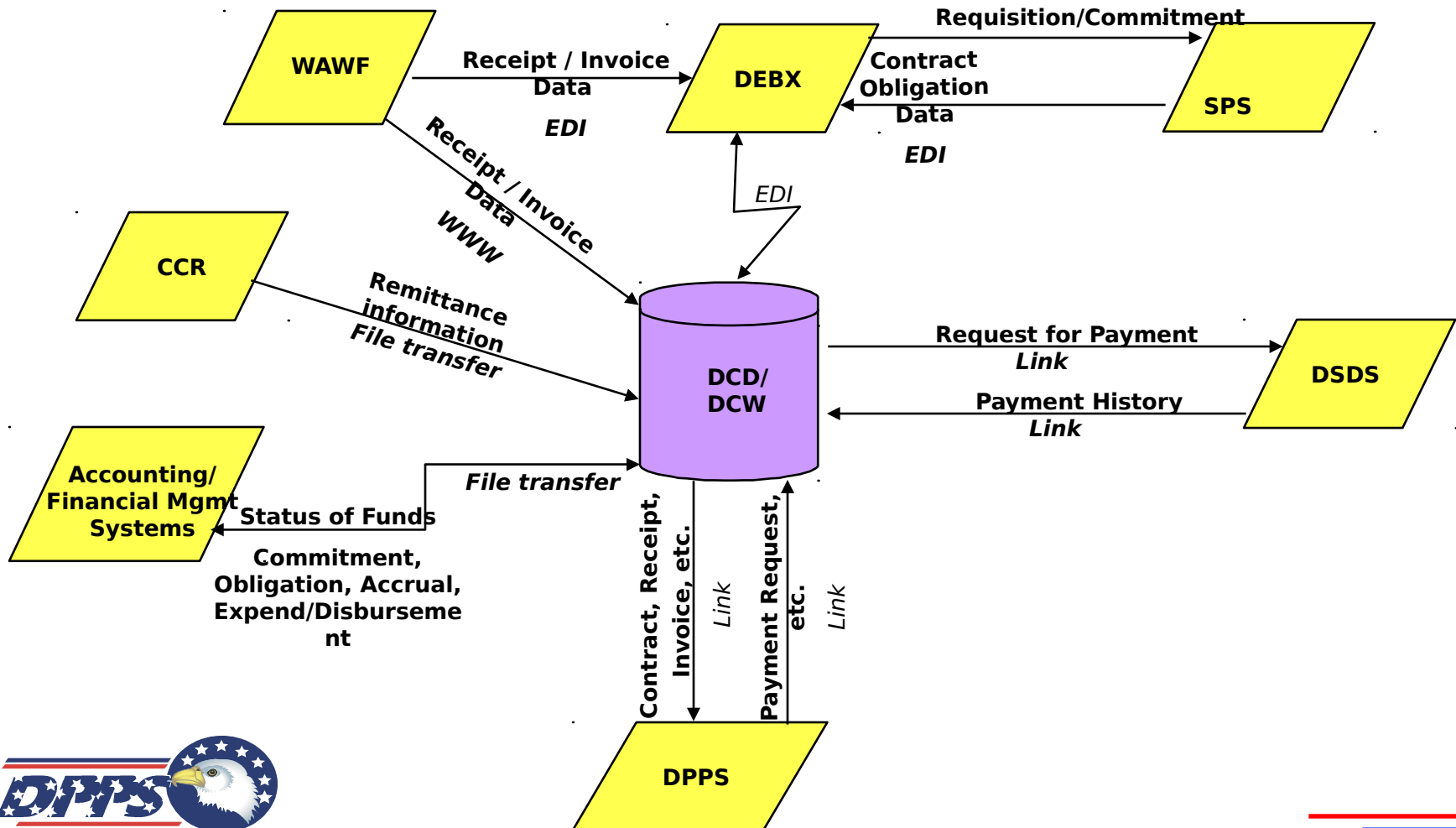
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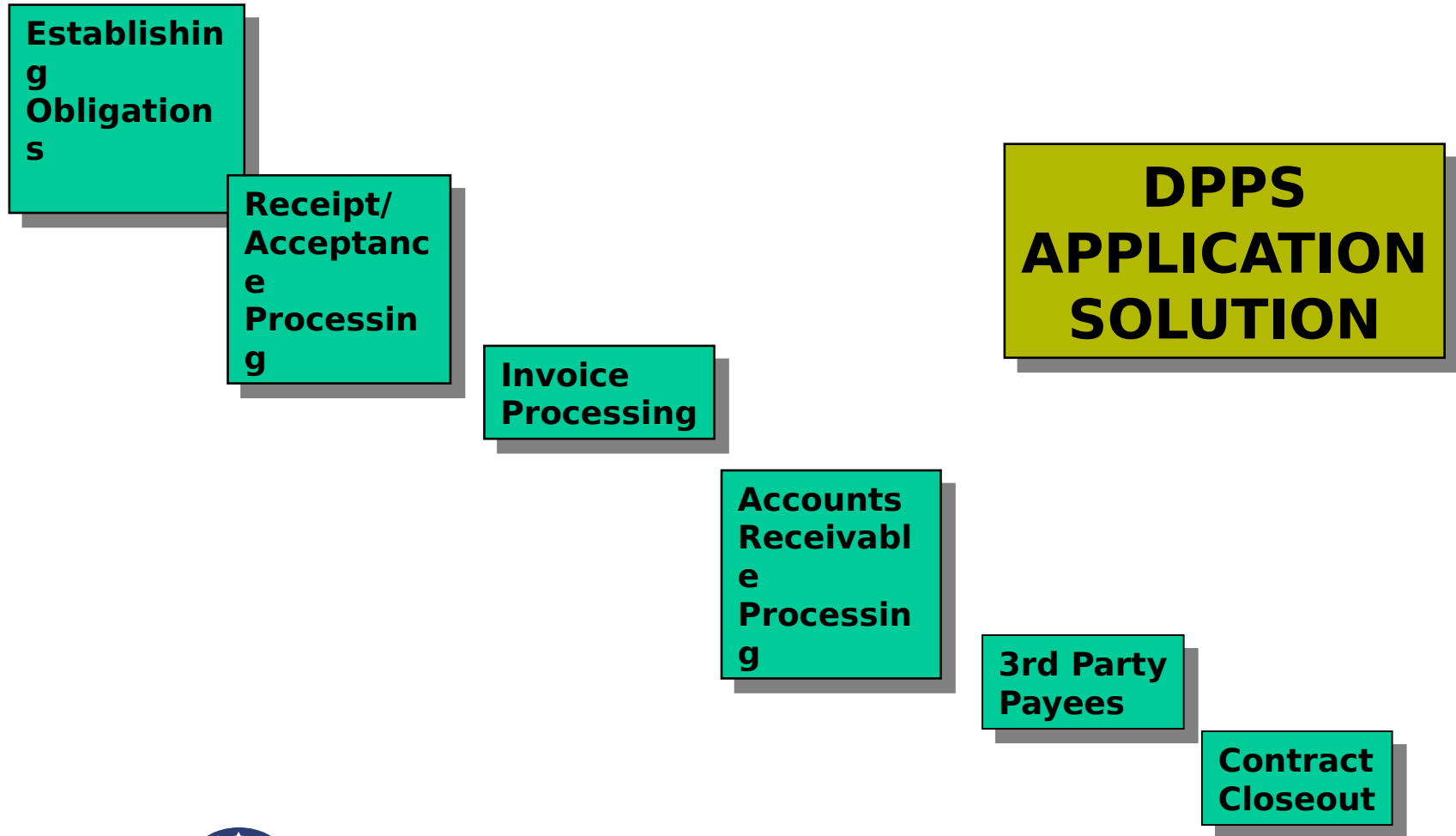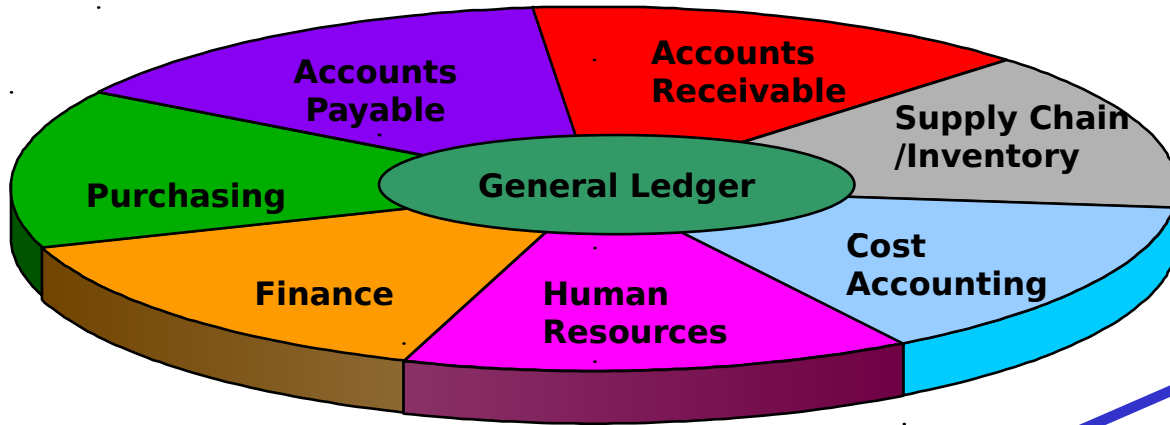*Program Manager*

Defense Procurement Payment System

WAWF → Receipt / Invoice Data *EDI* → **DEBX**

DEBX → Requisition/Commitment → **SPS**

SPS → Contract Obligation Data *EDI* → **DEBX**

WAWF → Receipt / Invoice Data *WWW* → **DCD/DCW**

DEBX ↔ *EDI* ↔ **DCD/DCW**

CCR → Remittance information File transfer → **DCD/DCW**

DCD/DCW → Request for Payment *Link* → **DSDS**

DSDS → Payment History *Link* → **DCD/DCW**

File transfer → **DCD/DCW**

Accounting/ Financial Mgmt Systems ← Status of Funds

Commitment, Obligation, Accrual, Expend/Disbursement

Contract, Receipt, Invoice, etc. *Link*

Payment Request, etc. *Link*

DPPS

DPPS Streamlining Efforts

Establishing Obligations

Receipt/ Acceptance Processing

DPPS APPLICATION SOLUTION

Invoice Processing

Accounts Receivable Processing

3rd Party Payees

Contract Closeout

DPPS Application Enterprise Solution

COTS "out of the box"

- Accounts Receivable
- Supply Chain /Inventory
- Cost Accounting
- Human Resources
- Finance
- Purchasing
- Accounts Payable
- General Ledger

COTS with "Government entitlement business rules"

- C Accounts Receivable
- C Accounts Payable
- C Purchasing
- G Alerts
- G Workflow
- O Contract Management
- O Line Level Management
- G Contract Funds Management
- GL
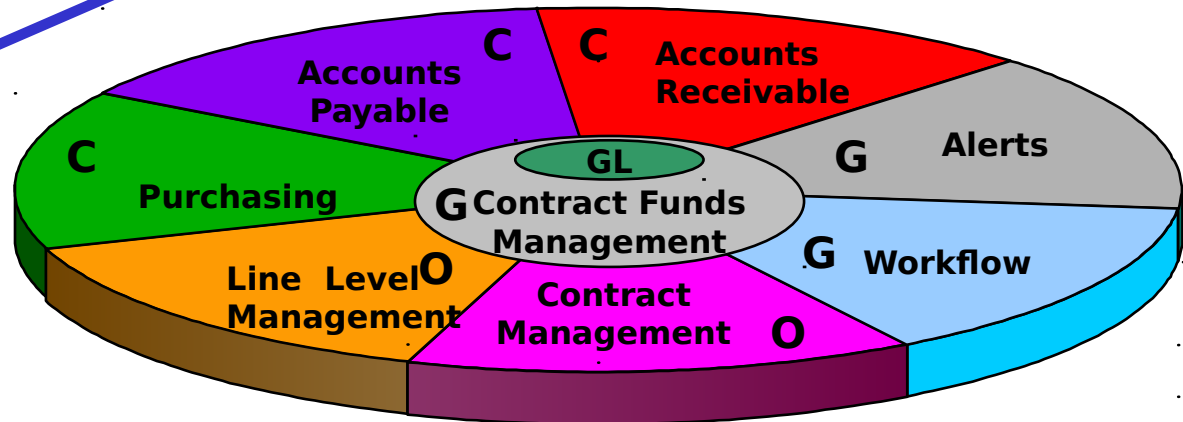
DPPS Benefits

Functional Improvements

- Automated editing of all data elements
- Funds availability prevalidation to entitlement processing eliminates UMDs
- Links payment processing contract terms to determine payment option most advantageous to the Government and increases discounts taken
- Facilitates standardized entitlement payment process for DFAS
- Accesses current data for more timely and accurate payments. Will reduce interest payments
- On-line electronic entitlement processing
- Eliminates redundant manual data input
- Data available on-line eliminates duplicate and overpayments

Significant Improvements

Transaction Level Changes & Improvement	Purpose	Solution	Desired Results
Obligations	To ensure transactions from the accounts payable application can be matched to the official accounting record at the time of payment.	DCD will perform maximum edits and validation on obligations prior to passing to DPPS.	Eliminate unmatched disbursements.
Obligations	To automate validations associated with contract clauses at the line level.	DPPS will provide functionality and store contract clauses at the header and line level.	Standardize validations and streamline contract maintenance to improve performance.
Obligations	To standardize and automate validations.	DPPS supplier and appropriation information will be validated to the DCD via the CEFT and GET.	Standard validation to the GET will assist in enabling obligations to be matched to the official accounting record. Structured validations for vendor address information will increase internal controls by ensuring a separation of duties.

Significant Improvements

Transaction Level Changes & Improvement	Purpose	Solution	Desired Results
Receipt/Acceptance Processing	To establish accurate accruals for accounts payables.	Upon processing in DPPS, accruals established in the official accounting record.	Accounting and payment records establish the same accruals/accounts payables to accurate balances.
Invoice Processing – Validation for Duplicates	To automate the process and eliminate the need for labor intensive review while increasing internal controls.	DPPS determines the uniqueness of invoices by performing stringent automated validations to the CLIN level.	DPPS validates vendor, invoice,a nd line level to determine unique invoices.
Invoice Processing – Line Level	To enable a more timely payment of invoices and hold exception processing only.	DPPS will provide the capability of splitting invoices by line for payment.	DFAS payment offices increase the invoices paid on time and reduce interest cost for the Department.
Invoice Processing – Prompt Pay	To automate the process and validate that interest funds are available.	Interest will be automatically determined and generated.	Streamlined interest processing and automated validating funds are available in the official accounting record.

Significant Improvements

Transaction Level Changes & Improvement	Purpose	Solution	Desired Results
Accounting Receivable Processing	To streamline processes while maintaining internal controls	AR/AP Netting provides immediate identification and netting of receivables.	DFAS will automate the netting of receivable resulting in increased timeliness of debt collection.
Accounts Receivable Processing	To eliminate problem disbursements and streamline processes while maintaining internal controls.	Deobligation Modifications that result in NULO conditions will be placed on hold for manual review and creation of the receivable.	DFAS will eliminate the creations of NULOs.

DPPS Streamlining Efforts:

- **Establishing Obligations:**
  - DCD will perform maximum edits and validations on obligations prior to passing to DPPS
  - DPPS will maintain obligation information relative to entitlement
  - DPPS will provide functionality and store contract clauses at the header and line level
  - DPPS supplier and appropriation information will be validated to the DCD via the CEFT and GET

DPPS Streamlining Efforts:

- **Receipt/Acceptance Processing:**
  - **Upon processing to DPPS, accruals established in official accounting record**

DPPS Streamlining Efforts:

- **Invoice Processing:**
  - **Validation for duplicates**
  - **Line level**
  - **Transportation**
  - **FMS**
  - **Fast Pay**
  - **Prompt Pay**
  - **Prepayments**

DPPS Streamlining Efforts:

- **Invoice Processing - Validation for Duplicates:**
  - **DPPS determines the uniqueness of invoices by performing stringent automated validations to the CLIN level**

DPPS Streamlining Efforts:

- **Invoice Processing - Line Level:**
  - **DPPS will provide the capability of splitting invoices by line for payment**

DPPS Streamlining Efforts:

- **Invoice Processing - Transportation:**
  - Verify the transportation charges are authorized on the contract
  - When requiring additional transportation funds, DPPS will automatically submit a request to the DCD/fund holder

DPPS Streamlining Efforts:

- **Invoice Processing - FMS:**
  - **Requests for FMS Expenditure Authority are sent automatically through the DCD to DIFS-R at the time of entitlement**

DPPS Streamlining Efforts:

- **Invoice Processing - Fast Pay:**
  - **DPPS will record the FAR clause that allows Fast Payment Procedures with payment terms days net, interest authorized, and 2-way match**

DPPS Streamlining Efforts:

- **Invoice Processing - Prompt Pay:**
  - **Interest will be automatically determined and generated**

DPPS Streamlining Efforts:

- **Invoice Processing - Prepayment Invoices:**
  - **DPPS will perform validations for progress payments, performance based payments, commercial item financing**

DPPS Streamlining Efforts:

- **Accounts Receivable Processing:**
  - **Deobligation Modifications that result in NULO conditions will be placed on hold for manual review and creation of the receivable**
  - **AR/AP netting provides immediate identification and netting of receivables**

DPPS Streamlining Efforts:

- **Third Party Payees:**
  - **DPPS will record valid liens and levies and determine correct withhold amounts from vendor payments to the appropriate party**

DPPS Streamlining Efforts:

- **Contract Closeout:**
 - **DPPS will coordinate contract close-out actions with the accounting and contracting offices**

Milestones

Events	Est. Complete	Act. Complete
System Design	02/00	02/00
System Development Schedule	04/00	On
Training Documentation Schedule	06/00	On
System Testing (End of OT&E) Schedule	08/00	On
–Operational at DFAS Kansas City	07/00	On Schedule
Deployment	08/02	On Schedule

- Implementation team is defining a generic project work plan for all sites to use as a guideline for

DPPS Proposed Notional Deployment Schedule
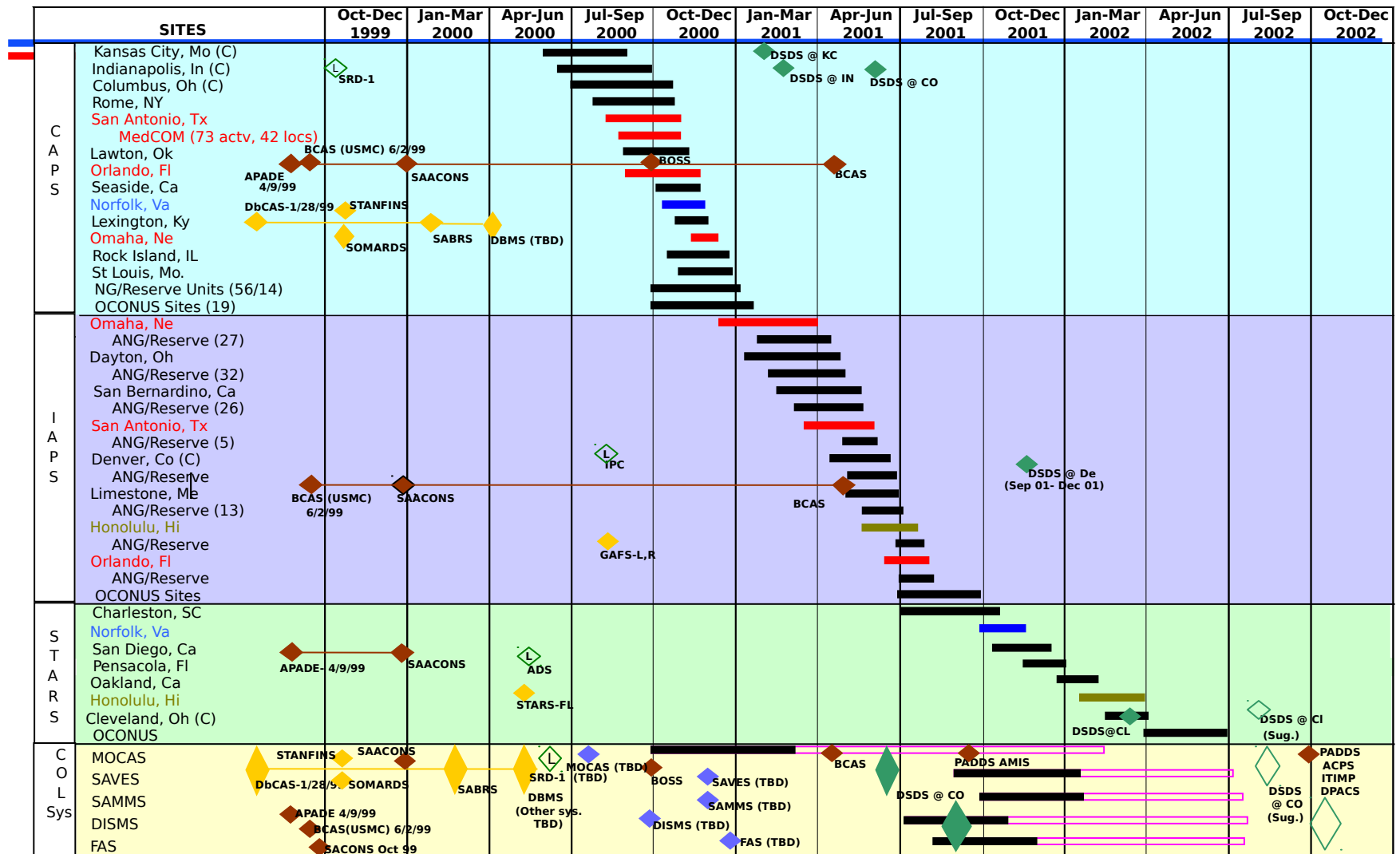
Initial Conversion Environment

- Conversion occurs incrementally Reconciliation occurs independently
- User initiates the conversion process at the contract level
- New 850 is generated with unliquidated portion of contract
- Contract passes to DPPS and is processed like any other contract. Pre-Conversion Contract History is passed to a Legacy Datamart
- Post-Conversion Contract History is passed to a DPPS Datamart
- User can view entire history with a single query

RECON

Legacy System

Legacy System

ACCT SYSTEM

ID of Reconciled Contract

CONV SW

850 Contract

DCD

DPPS

Entitlements

Legacy Contract History

DPPS Contract History

DCW CAPS History Datamart

DCW DPPS Datamart

JOINED QUERY
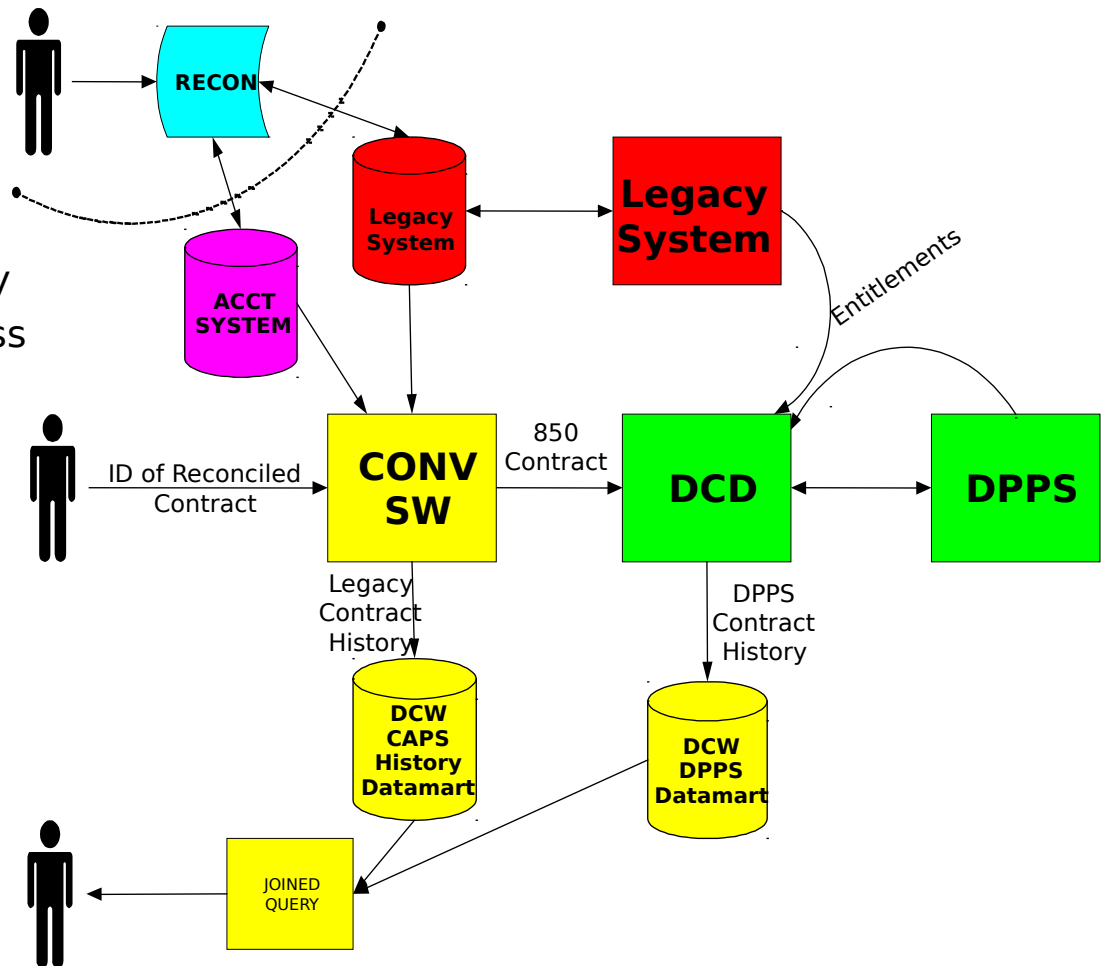
Target Conversion Environment

- When the workload is considered manageable, all remaining legacy contracts are moved to the Legacy Datamart

- Further conversions are still supported, but from the Datamart rather than active Legacy data

- Legacy system no longer exists to process entitlements